



North Dakota Insurance Department

Adam Hamm, Commissioner

Op-Ed/Letter to the Editor

June 23, 2011

Insurance Commissioner Taking Steps to Protect Policyholders

Historic flooding all across the state is impacting thousands of North Dakotans in many different ways. People have evacuated their homes, their businesses and in some cases, both. Others are living in the upper level of their homes, fighting groundwater and other flooding issues. In every scenario, different questions arise about insurance coverage.

In June the North Dakota Insurance Department issued two bulletins to insurance companies doing business in the state. The first bulletin requested leniency toward policyholders affected by flooding. Companies were asked, among other things, to provide temporary suspension of premium payments and not to cancel or refuse coverage due solely to an individual's status as a victim or evacuee of this disaster. The second bulletin requested insurance companies to provide coverage for items that have been moved from their original premises.

The North Dakota Insurance Department continues to take calls from agents and consumers with flood-related questions. We encourage agents to give priority to their clients impacted by flooding, and we encourage consumers to keep in contact with their agents during this time. The following information contains answers to some of the most common questions we are being asked.

Flood insurance

All flood insurance policies are underwritten by the National Flood Insurance Program (NFIP). Policies may be sold by agents or companies in your area, but they are provided through the NFIP. Flood insurance must have been purchased 30 days prior to an event in order for policyholders to be covered.

Some commercial property policies may provide limited coverage through a deluxe policy. Check with your agent or company for details about your specific policy. Standard homeowners insurance does not cover flood damage.

If you have flood insurance and need to file a claim, contact your insurance agent for help filling out claims forms. If you have questions about your flood insurance, you may also call 1-800-427-4661. The North Dakota Insurance Department can provide assistance with questions and complaints, but does not regulate National Flood Insurance Program policies.

Seepage, water/sewer backup and sump pump failure

Water seepage into basements can be devastating, and under the standard homeowners policy is not a covered claim. The only coverage available is through a NFIP policy and that coverage only applies when seepage occurs in conjunction with a general condition of flooding in the area and the flood is the direct cause of the water seepage.

Coverage for damage from water and sewer material backing up into your property through a sewer or drain is available through a separate endorsement added to homeowners or commercial property insurance policy. However, some endorsements exclude coverage if backup is due to a flood. The NFIP policy does cover sewer backup if there is a flood in the area and the flood is the direct cause of the sewer or drain backup.

Damage from sump pump failure may be covered by endorsements added to homeowners and commercial property policies. NFIP policies do not cover sump pump failure.

Evacuation expenses

Thousands of North Dakotans have left their homes due to mandatory evacuations. Additional living expenses due to evacuation are not covered by homeowners insurance or by NFIP policies.

Businesses that have closed due to flooding may be expecting insurance to cover lost income. A standard commercial policy may provide business income protection within the policy or by endorsement. The coverage only applies to a covered cause of loss. Therefore, if the policy provides flood coverage, the coverage also applies to business income. NFIP policies do not provide coverage in this situation.

Vehicle damage and debris

Comprehensive coverage on your automobile policy provides coverage for damage to your vehicle caused by a flood.

After the water recedes, there may be a large amount of debris on your property. NFIP policies do cover debris removal resulting from a flood within the total limits of coverage. This applies whether it is debris from off of your premises or debris from your property or premises.

Documentation is critically important to working through the recovery process. This is true whether you have insurance coverage for your loss or not. I encourage you to take pictures of any damage, keep receipts from purchases made related to flood prevention and preparation, and document all items lost or damaged.

Extensive information can be found on the Insurance Department website by clicking on the flood information button on the home page at www.nd.gov/ndins. If you encounter problems or have questions, please contact the North Dakota Insurance Department at 1-800-247-0560 or insurance@nd.gov.



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